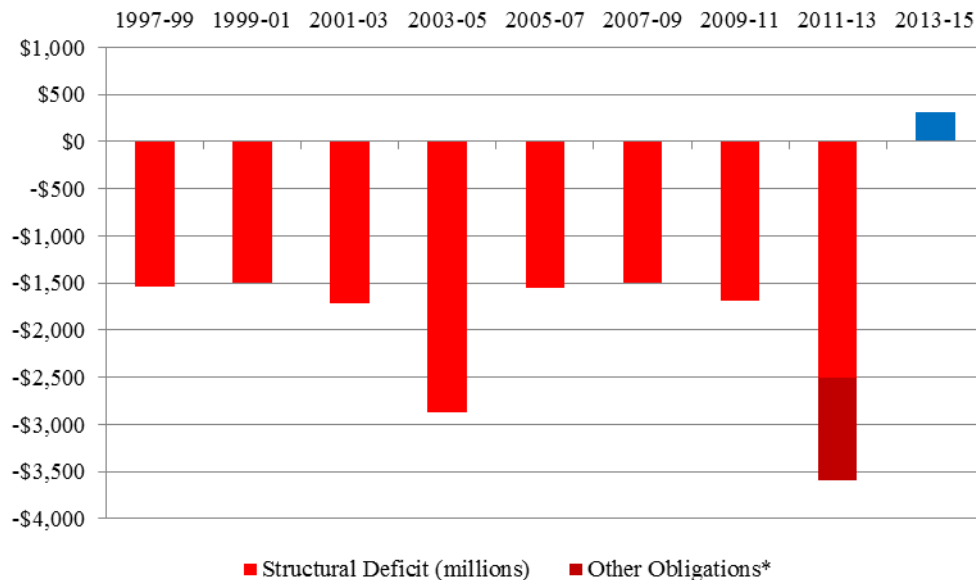


FACTS about Governor Scott Walker's reforms

#1

Governor Scott Walker's budget turned a \$3.6 billion state deficit into a surplus.

Wisconsin was facing one of the largest deficits in state history. Governor Walker's budget projects a surplus for the first time in over 15 yearsⁱ.



* Includes outstanding debts, agency budget requests, and other shortfalls. See #13.

#2

For the first time in six years, school tax levies are down.

According to the Legislative Fiscal Bureau, the total K-12 tax levy **decreased** by more than \$47 million for the 2011-2012 school year, following reforms.

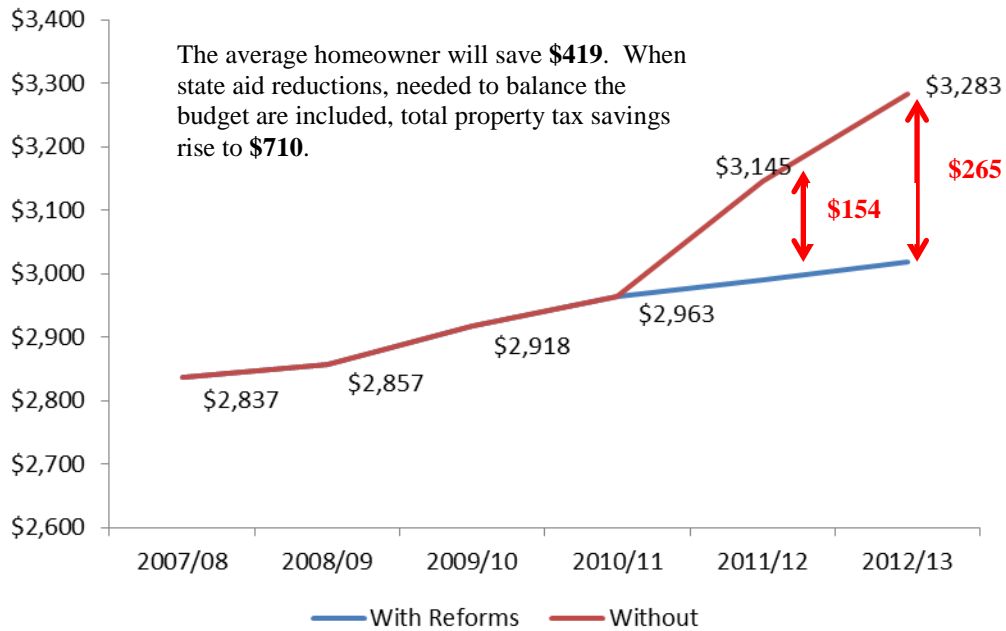
For five years prior to Governor Walker's reforms, the statewide average school levy tax **increased** \$220 millionⁱⁱ per year for a total of **\$1.1 BILLION** dollars.

#3

Without reforms, homeowners would have paid hundreds of dollars more in property taxes this year.

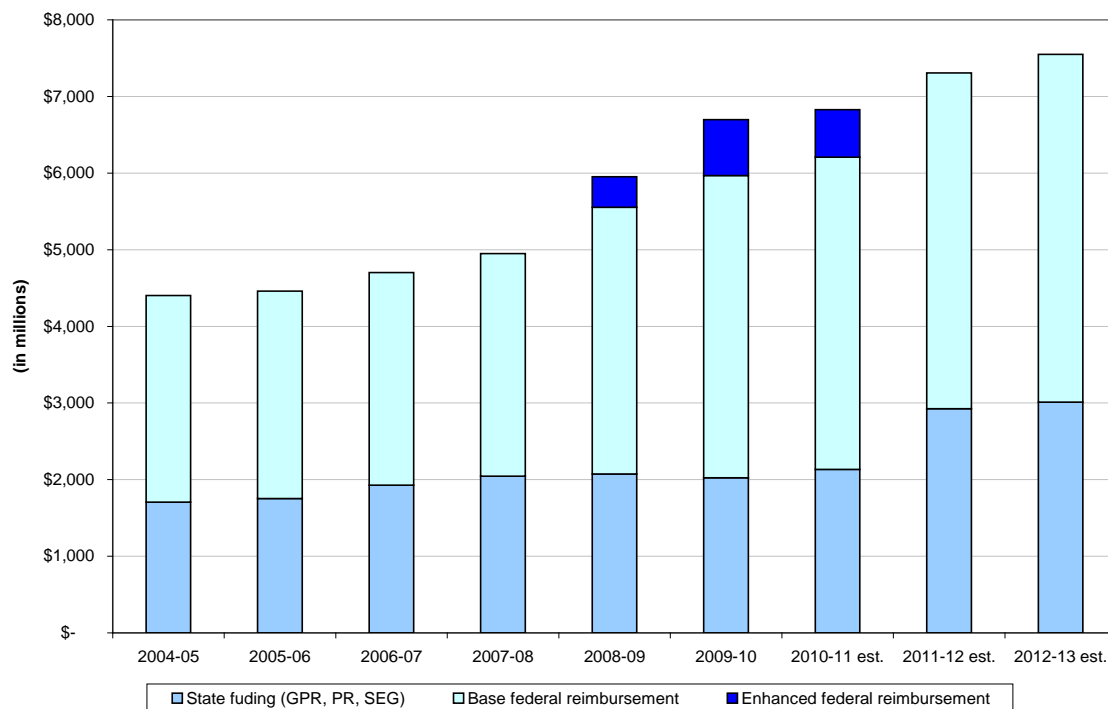
With Governor Walker's reforms, according to the nonpartisan Legislative Fiscal Bureau, the typical homeowner will save **\$419** over the next two yearsⁱⁱⁱ. When you include additional reforms, the savings rise to **\$710**.

Median-valued Home Property Tax Bill



#4

Governor Walker's budget protects health care coverage for seniors and the neediest families in the state.



Due to the loss of one-time federal stimulus funds and unsustainable program expansions Governor Walker faced a projected \$1.8 billion deficit in the state's Medicaid budget^{iv}.

Governor Walker's budget protected seniors and the neediest families by investing \$1.2 billion in new state funds for Medicaid. This was by far the largest one-time investment of state funds into Medicaid.

Facing a huge state deficit, Governor Walker's budget protects SeniorCare, FamilyCare, and the disabled by not dropping seniors or disabled individuals from coverage.

#5

The Governor's reforms helped balance the budget while still offering employees a generous pension plan.

Prior to the Governor's reforms, state employees paid little or nothing to be part of the Wisconsin Retirement System (pension) plan^{xi}. Payments to public employee pensions neared **\$1.5 billion** in 2010.^v Of that amount, public employees contributed \$12 million.

The Governor's reforms require most state employees to pay approximately half of their pension contribution – or 5.8%. (Some employees, including the Governor, pay more.)

According to a report by the Wisconsin Policy Institute:^{vi}

- Only 51% of private sector employees participate in a retirement plan.
- On average, private sector employers contribute 5.3% of payroll (matched by employee) for retirement plans. Before reforms, contributions to the state WRS plan were about 12%.

By comparison, retirement benefits for state employees are much more generous than those offered in the private sector.

- According to the Wisconsin Policy Institute report, a 25-year state employee earning \$48,000/year will have the same estimated retirement income as a private sector employee earning \$70,000/year.
- General state employees with 30 years of service can retire as early as age 57 with full pension benefits. Only 6% of private sector employers offer early retirement benefits.

A recent Taxpayer Alliance study projected that even with higher pension contributions, Wisconsin teacher benefits will be 20% higher than the national average.^{viii}

#6

The Governor's reforms improve education in the state, particularly in the districts utilizing the tools that are now available to them.

According to a survey by the Wisconsin Association of School District Administrators released by DPI:

- **New teacher hires outnumber layoffs and non-renewals by 1,799 positions**^{viii}
- The three districts with the most teacher layoffs (Milwaukee, Kenosha, and Janesville) didn't adopt the reforms put in place by Governor Walker. Those districts account for 68% of teacher layoffs for the entire state, but only contain 12.8% of Wisconsin students.^{ix}
- 75% of districts have the same K-3 class sizes or are decreasing them
- 67% of districts have the same 4-6 grade class sizes or are decreasing them
- 78% of districts are keeping student fees the same or decreasing them

- 92% of districts are keeping sports programs the same or expanding them

#7

With reforms, Wisconsin's teacher to student ratio in the classroom remains low.

According to information from the National Center for Education Statistics, the teacher to pupil ratio in Wisconsin public schools continues to be lower than the projected national average.^x

Teacher to pupil ratio:

13.3 to 1¹ - 2011-12 Wisconsin
15.6 to 1 - 2010-11 National

¹ 872,286 pupils/65,400.5 teachers – Using the most recent [WI DPI enrollment data](#) and [teacher staffing level survey](#) data.

#8

The Governor's reforms end abusive overtime practices.

According to the Legislative Audit Bureau, state agency overtime totaled \$57.1 million in 2010. Governor Walker's reforms end overtime abuse originally facilitated in a collective bargaining agreement in 1975.^{xi}

For example, the Department of Corrections allowed correctional workers who call in sick to collect overtime if they work a shift on the exact same day.

Cost to taxpayers - \$4.8 million in 2010 alone.

This benefit was previously protected by union contract.

#9

The Governor's reforms allow school districts and municipalities to manage staffing based on merit and performance.

Previously, under union contracts, school districts and municipalities were required to arbitrarily layoff the newest employees first. Also, pay increases were dictated by years of service and level of schooling, not on an employee's performance.

In cases where school leaders deem termination necessary, they can now expedite the process without lengthy, expensive arbitration and legal fees.

For example, the Middleton-Cross Plains District has spent more than \$400,000 trying to terminate a teacher after an investigation revealed 23 documented instances involving school emails that contained inappropriate material. The \$400,000 bill for arbitration and legal costs is paid for out of the schools operating budget.

State and local government employees continue to be protected by numerous state and federal employment laws.

#10

The Governor's reforms allow school district officials to make budget decisions and set work rules based on what's best for education.

Staff salaries and compensation make up the bulk of school budgets (approximately 75%). When that was untouchable due to union contracts, districts facing shortfalls were forced to cut from the remaining fraction of the budget (programs, supplies) or lay off staff.

School leaders may now consider changes in benefit packages and other options to keep teachers on the job and save taxpayer money.

For example, after reforms in the Fond du Lac District, school leaders decided teachers would eight hours per day instead of seven.

In Brown Deer, teachers now teach six of eight classes instead of five.

In Kaukauna, teachers are now required to work eight hours per day instead of 7.5.

Kaukauna School officials estimate staffing flexibilities will save the district \$575,000 this year.

#11

Under the Governor's reforms, the single option to change health insurance providers has already saved school districts tens of millions of dollars so far.

Many school union contracts dictated which company provides its employee's health insurance coverage. This prevented districts from shopping around to save costs. Introducing competition into the process means lower costs, sometimes even without changes to coverage, premiums and/or copays.

For example, following Governor Walker's reforms, the Appleton School District put its policy up for bid. Due to competition, their current provide offered the same policy at a cost savings of more than \$3 million.

Savings from health care provider and plan changes top \$75 million so far this year.

#12

Government workers now have the option of saving more than \$72 million per year in union dues.^{xii}

Government workers continue to have the option to be represented by a union, but it is no longer mandated by the state that they contribute union dues.

#13

In balancing the budget, Governor Walker paid off more than \$800 million of debt left from the previous administration.^{xiii}

The debt Walker's Administration inherited, and paid off includes:

- \$235 million to the state's Injured Patients and Families Compensation Fund as a result of an unconstitutional raid by a previous Legislature
- \$176.5 million Medicaid shortfall
- \$58.7 million to Minnesota for income tax collected from Wisconsin residents who work in Minnesota (Accruing interest - \$4,584/day)
- \$20 million to the state Department of Corrections
- \$341.8 million in lapses leftover by the previous administration

Total \$831.7 million

#14

Smart government spending leads to job creation.

In the three years prior to Governor Walker taking office, Wisconsin lost 150,000 jobs. In 2011, the state has **GAINED** 16,000 jobs so far.

Business owners say a fiscally responsible government and business-friendly state leaders give them the confidence they need to expand, grow, and hire. Wisconsin jumped 17 spots from 2010 to 2011 in Chief Executive Magazine for best states to do business in^{xiv}.

ⁱ July 5, 2011 Legislative Fiscal Bureau Memo

http://legis.wisconsin.gov/lfb/2011-13%20Budget/2011_07_05%20structural%20deficit.pdf

ⁱⁱ Wisconsin Department of Public Instruction Data

ⁱⁱⁱ July 15, 2011 Legislative Fiscal Bureau Memo

^{iv} Budget in Brief http://www.doa.state.wi.us/debf/pdf_files/bib1113.pdf

^v 2010 Comprehensive Annual Financial Report by the Department of Employee Trust Funds

^{vi} 2011 Legislative Fiscal Bureau Informational Paper 84

http://legis.wisconsin.gov/lfb/Informationalpapers/2011/84_Wisconsin%20Retirement%20System.pdf

^{vii} <http://nces.ed.gov/fastfacts/display.asp?id=28>

^{viii} Federal Figures Show Wisconsin School Spending 5.5% Above U.S.

<http://wistax.org/publication/school-update-ii-wisconsin-vs-us>

^{ix} http://walker.wi.gov/journal_media_detail.asp?prid=6093&locid=177

^x http://walker.wi.gov/journal_media_detail.asp?locid=177&prid=5675

^{xi} <http://www.wpri.org/Reports/Volume23/Vol23No2/Vol23No2.html>

^{xii} http://walker.wi.gov/journal_media_detail.asp?locid=177&prid=5674

<http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf>

^{xiii} <http://legis.wisconsin.gov/lfb/publications/budget/2011-13-Budget/Pages/act32.aspx>

^{xiv} http://walker.wi.gov/journal_media_detail.asp?prid=5809&locid=177